



E570-1

UNITED STATES DEPARTMENT OF COMMERCE  
Bureau of Export Administration  
Washington, D.C. 20230

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

LEP Profit International, Inc.  
1950 Spectrum Circle  
Marietta, Georgia 30067

Attention: Anthony J. Quinn  
President & Chief Executive Officer

Dear Mr. Quinn:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, LEP Profit International, Inc. (LEP) has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1997)) (the Regulations),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1997)) (the Act).

Facts constituting violations:

Charges 1-12

On 12 separate occasions between on or about November 2, 1992 and on or about April 22, 1993, LEP prepared or used air waybills, which are export control documents as defined in Section 770.2 of the former Regulations, for the purpose of effecting exports from the United States to Vietnam, representing that the commodities exported were licensed by the United States for ultimate destination in Vietnam. Each of those exports is described more fully on the enclosed schedule, which is incorporated herein by

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<sup>1</sup>The alleged violations occurred in 1992 and 1993. The Regulations governing the violations at issue are found in the 1992 and 1993 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1992 and 1993)). Those Regulations define the conduct that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to the matters set forth in this charging letter.

<sup>2</sup>The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), and August 13, 1997 (62 Fed. Reg. 43629, August 15, 1997), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)).



this reference. In fact, none of the exports were licensed by the United States for export to Vietnam. BXA alleges that, by making false or misleading statements of material fact, directly or indirectly to a United States government agency in connection with the preparation or use of export control documents, LEP violated Section 787.5(a)(1) of the former Regulations in connection with each of the 12 shipments, for a total of 12 violations.

Accordingly, LEP is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);

Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or

Exclusion from practice before BXA (see Section 764.3(a)(3) of the Regulations).

Copies of relevant Parts of the Regulations are enclosed.

If LEP fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7.

LEP is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer. LEP is also entitled to be represented by counsel, and to seek a settlement of the charges.

Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Accordingly, LEP's answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022, in accordance with the instructions in Section 766.5(a) of the Regulations. In

addition, a copy of LEP's answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: Lorie B. Whitaker, Esq." below the address. Ms. Whitaker may be contacted by telephone at (202) 482-5311.

Sincerely,

Mark D. Menefee  
Acting Director  
Office of Export Enforcement

Enclosures

**SCHEDULE OF VIOLATIONS  
LEP PROFIT INTERNATIONAL, INC.**

<b>CHARGES</b>	<b>DATE (on or about)</b>	<b>COMMODITY</b>	<b>DESTINATION</b>	<b>AIR WAYBILL</b>
1	11/02/92	Dental Supplies	Vietnam	160 7091 7442
2	11/06/92	Dental Supplies Computer Equipment	Vietnam	160 7091 7206
3	11/20/92	Computer Equipment	Vietnam	160 7091 7490
4	12/04/92	Dental Supplies	Vietnam	160 7091 7420
5	12/18/92	Dental Supplies	Vietnam	160 7091 7184
6	01/08/93	Dental Supplies Computer Equipment	Vietnam	160 7091 7501
7	03/05/93	Dental Supplies Computer Equipment	Vietnam	160 7091 7103
8	03/08/93	Dental Supplies Computer Equipment	Vietnam	160 7026 4972
9	03/24/93	Dental Supplies Computer Equipment	Vietnam	160 9068 2233
10	03/31/93	Dental Supplies Computer Equipment	Vietnam	160 9068 2222
11	04/15/93	Dental Supplies Computer Equipment	Vietnam	160 9068 2266
12	04/22/93	Dental Supplies	Vietnam	160 9068 2270

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF EXPORT ADMINISTRATION  
WASHINGTON, D.C. 20230

In the Matter of: )  
 )  
LEP PROFIT INTERNATIONAL, INC. )  
1950 Spectrum Circle )  
Marietta, Georgia 30067, )  
 )  
Respondent )

SETTLEMENT AGREEMENT

This Agreement is made by and between LEP Profit International, Inc. (LEP) and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1997)) (the Regulations),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1997)) (the Act).<sup>2</sup>

Whereas, the Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), has

<sup>1</sup> The alleged violations occurred in 1992 and 1993. The Regulations governing the violations at issue are found in the 1992 and 1993 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1992 and 1993)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to the matters set forth in this Settlement Agreement.

<sup>2</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), and August 13, 1997 (62 Fed. Reg. 43629, August 15, 1997), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)).

notified LEP of its intention to initiate an administrative proceeding against it pursuant to the Act and the Regulations by issuing a Charging Letter alleging that LEP violated the provisions of Section 787.5(a)(1) of the former Regulations in that, on 12 occasions between on or about November 2, 1992 and April 22, 1993, LEP made false or misleading statements of material fact, directly or indirectly, to a United States government agency in connection with the preparation and use of export control documents;

Whereas, LEP has reviewed the proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; it fully understands the terms of this Settlement Agreement and the proposed Order; it enters into this Settlement Agreement voluntarily and with full knowledge of its rights, and it states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

Whereas, LEP neither admits nor denies the allegations contained in the proposed Charging Letter;

Whereas, LEP wishes to settle and dispose of all matters alleged in the proposed Charging Letter by entering into this Settlement Agreement; and

Whereas, LEP agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (appropriate Order);

NOW THEREFORE, LEP and BXA agree as follows:

1. BXA has jurisdiction over LEP, under the Act and the Regulations, in connection with the matters alleged in the proposed Charging Letter.

2. BXA and LEP agree that the following sanction shall be imposed against LEP in complete settlement of all alleged violations of the Act and former Regulations arising out of the transactions set forth in the proposed Charging Letter:

a. LEP shall be assessed a civil penalty in the amount of \$60,000, \$45,000 of which shall be paid, in accordance with the instructions provided, within 30 days of the date of entry of the appropriate Order. Payment of the remaining \$15,000 shall be suspended for a period of two years from the date of entry of the appropriate Order and shall thereafter be waived, provided that, during the period of suspension, LEP has committed no violation of the Act, or any regulation, order, or license issued thereunder.

- b. As authorized by Section 11(d) of the Act, the timely payment of the penalty agreed to in paragraph 2a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to LEP. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of LEP's export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.

3. LEP agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Settlement Agreement or the appropriate Order, when entered), including, without limitation, any right: (a) to an administrative hearing regarding the allegations in the proposed Charging Letter; (b) to request a refund of the civil penalty imposed pursuant to this Settlement Agreement and the appropriate Order, when entered; and (c) to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of an appropriate Order, it will not initiate any administrative proceeding against LEP in

connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed Charging Letter.


5. LEP understands that BXA will make the proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered, available to the public.

6. BXA and LEP agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.18(a) of the Regulations, BXA and LEP agree that they may not use this Settlement Agreement in any administrative or judicial proceeding, and that neither party shall be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.


7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same force and effect as a decision and Order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION  
U.S. DEPARTMENT OF COMMERCE

  
Mark D. Menefee  
Acting Director  
Office of Export Enforcement

LEP PROFIT INTERNATIONAL, INC.

  
Anthony J. Quinn  
President &  
Chief Executive Officer

Date: 2/25/98

Date: Feb 23rd 98

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF EXPORT ADMINISTRATION  
WASHINGTON, D.C. 20230

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In the Matter of: )  
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LEP PROFIT INTERNATIONAL, INC. )  
1950 Spectrum Circle )  
Marietta, Georgia 30067, )  
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Respondent )

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having notified LEP Profit International, Inc. (LEP) of its intention to initiate an administrative proceeding against it pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1997)) (the Act),<sup>1</sup> and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1997)) (the Regulations),<sup>2</sup> based on allegations that, on 12 occasions between

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<sup>1</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), and August 13, 1997 (62 Fed. Reg. 43629, August 15, 1997), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)).

<sup>2</sup> The alleged violations occurred in 1992 and 1993. The Regulations governing the violations at issue are found in the 1992 and 1993 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1992 and 1993)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to the matters set forth in this Order.

on or about November 2, 1992 and on or about April 22, 1993, LEP made false or misleading statements of material fact, directly or indirectly, to a United States government agency in connection with the preparation and use of export control documents; and

BXA and LEP having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they have agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;


IT IS THEREFORE ORDERED:

FIRST, that LEP is assessed a civil penalty of \$60,000, \$45,000 of which shall be paid, in accordance with the attached instructions, within 30 days of the date of entry of the appropriate Order. Payment of the remaining \$15,000 shall be suspended for a period of two years from the date of entry of the appropriate Order and shall thereafter be waived, provided that, during the period of suspension, LEP has committed no violation of the Act, or any regulation, order, or license issued thereunder.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1997)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, LEP will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the proposed Charging Letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.

  
F. Amanda DeBuss  
Assistant Secretary  
for Export Enforcement

Entered this 26<sup>th</sup> day of February, 1998.

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UNITED STATES DEPARTMENT OF  
**COMMERCE**  
**NEWS**

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WASHINGTON, D.C. 20230

BUREAU OF  
EXPORT  
ADMINISTRATION

FOR IMMEDIATE RELEASE  
February 26, 1998  
www.bxa.doc.gov

CONTACTS: Susan Hofer  
Eugene Cottilli  
202-482-2721

## **FREIGHT FORWARDER SETTLES CHARGES OF MAKING FALSE STATEMENTS ON SHIPPING DOCUMENTS**

WASHINGTON-- The Commerce Department today imposed a \$60,000 civil penalty on LEP Profit International, Inc. (LEP) of Marietta, GA, for allegedly preparing shipping documents that contained false information, Assistant Secretary of Commerce for Export Enforcement F. Amanda DeBusk announced.

"Freight forwarders are key players in making sure exports are properly licensed. We rely on them to understand the importance of export controls, and to know when to make inquiries," DeBusk said.

The Department alleged that on 12 occasions the Seattle office of LEP prepared and used export control documents to effect exports to Vietnam, representing that the commodities were licensed by the U.S. for such export. In fact, none of the exports was licensed by the U.S. for export to Vietnam.

LEP agreed to pay the penalty to settle the alleged violations of the export control regulations. A portion of the penalty, \$15,000, will be suspended for two years then waived so long as LEP complies with the export control regulations. The Bureau of Export Administration's San Jose Field Office conducted the investigation.

In announcing the settlement and the cooperation of LEP during the investigation, DeBusk pointed out that, "as a result of this case, LEP renewed its commitment to achieving export compliance by training its personnel and developing more effective export procedures. We wish all forwarders would follow their example," she said.

The Bureau of Export Administration controls and licenses exports and reexports of dual-use commodities, technology and software for reasons of national security, foreign policy, nonproliferation and short supply.